



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/151C

21 March 2019

The Chief Executive
All locally incorporated authorized institutions

Dear Sir/Madam,

Revisions to standard disclosure templates and tables

I am writing to inform you that, following consultation with the two industry Associations, the Monetary Authority is issuing a set of revised standard disclosure templates and tables (with accompanying revised explanatory notes) to reflect a few regulatory updates¹. Pursuant to section 6(1)(ab) of the Banking (Disclosure) Rules (“BDR”), the templates and tables are to be used by locally incorporated authorized institutions (“AIs”) for making disclosures under the BDR.

In summary, the revised templates and tables have incorporated:

- (a) revisions to credit risk disclosures (in Template CR1 and Table CRB) to reflect the regulatory treatment of expected credit loss accounting provisions specified in the document *Technical Amendment – Pillar 3 disclosure requirements: regulatory treatment of accounting provisions*² issued by the Basel Committee on Banking Supervision in August 2018; and
- (b) revisions to disclosures associated with the new standards introduced under the Banking (Capital) (Amendment) Rules 2018 (“BCAR”), viz., the Internal Assessment Approach under the securitization framework (in Table SECA, Template SEC3 and Template SEC4); the deduction treatment of non-capital LAC liabilities (in Template CC1) and the capital requirement of sovereign concentration risk (in Template OV1).

We have also taken this opportunity to update the names of the relevant banking

¹ For ease of reference, the revisions to the relevant tables and templates are highlighted in the complete set of disclosure templates and tables enclosed.

² Please see <https://www.bis.org/bcbs/publ/d446.htm>.

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return and guidance quoted in the explanatory notes of Template IRRBB1, which prescribes some required disclosures of an AI's interest rate risk in the banking book ("IRRBB").

The above revisions, apart from those in relation to sovereign concentration risk and IRRBB, will apply to disclosures pertaining to the financial year of an AI starting on or after 1 January 2019. For sovereign concentration risk, the revision will first apply to the quarterly Template OV1 as of 30 September 2019 (i.e. after the related provisions in the BCAR take effect on 1 July 2019). For IRRBB, Template IRRBB1 will first apply for any annual reporting period of an AI ending on or after 30 June 2019.

The standard disclosure templates and tables (both English and Chinese versions) can be accessed through the "Key Functions – Banking Stability – Implementation of International Standards – Disclosure" icons on the HKMA's public website (<http://www.hkma.gov.hk>) or through the Supervisory Communication Website (<http://www.stet.iclnet.hk>).

Should you have any questions regarding the revisions to the standard disclosure templates and tables, please contact Miss Theresa Kwan at tyykw@hkma.gov.hk or Mr Lai-chun So at lcso@hkma.gov.hk.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Ms Eureka Cheung)